

Message Text

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ACTION ARA-10

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SUBJECT: ECONOMIC MEASURES -- NO VISIBLE DISSENT

REF: (A) LIMA 5344 (B) LIMA 5405 (C) LIMA 5375

1. THE LAST OF THE LABOR GROUPS TO OFFER OPINION ON GOVERNMENT ECONOMIC MEASURES HAS NOW BEEN HEARD FROM. THE CONFEDERATION OF PERUVIAN WORKERS (CTP) ISSUED A COMMUNIQUE JULY 8 SUPPORTING GOP ECONOMIC MEASURES WITH CERTAIN RESERVATIONS.

2. THE APRA-AFFILIATED CTP PRAISED THE GOVERNMENT FOR ITS REALIZATION THAT PERU'S BASIC PROBLEM IS THE NEED TO INCREASE INDUSTRIAL AND AGRICULTURAL PRODUCTION WHILE AT THE SAME TIME IMPROVING THE CAPACITY OF WORKERS TO CONSUME. ALTHOUGH NOTING THAT THE 1600 SOLES PER MONTH INCREASE FOR GOVERNMENT WORKERS "DOES NOT EXACTLY COMPENSATE FOR ACCELERATED PRICE INCREASES IN NECESSITIES AND SERVICES", THE CTP STATED THAT THE "NON-DISCRIMINATORY" NATURE OF WAGE INCREASES "MERITS OUR APPROVAL IN PRINCIPLE". THE CTP CONSIDERED THE 400 SOLES PER MONTH AUTOMATIC ADJUSTMENT FOR PRICE INCREASES INSUFFICIENT AND STATED THAT LIMITS ON FUTURE CONTRACT SETTLEMENTS WOULD PREVENT WORKERS FROM BETTERING THEIR ECONOMIC

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STATUS. ALSO, THE CTP POINTED OUT THAT UNORGANIZED WORKERS

WILL SUFFER UNDER THE IMPACT OF HIGHER PRICES.

3. IN ORDER THAT PERIODIC AND EFFECTIVE MODIFICATION IN THE GOP ECONOMIC PLAN MIGHT BE ACHIEVED, THE CTP CALLED FOR THE CREATION OF A NATIONAL LABOR COUNCIL WITH REPRESENTATION FROM THE GOVERNMENT, LABOR CONFEDERATIONS, AND THE INDUSTRIAL SECTOR. "THIS WOULD BE THE AREA FOR DIALOGUE" WHICH WOULD ENABLE THE GOP TO MAKE BEST POSSIBLE DECISIONS.

4. THE CTP CONCLUDES ITS STATEMENT OF QUALIFIED SUPPORT BY CALLING UPON ITS RANK AND FILE TO BEWARE OF "PROVOKATEURS AND THOSE WHO PROVOKE DIVISION AND HATE AMONG PERUVIANS AT A TIME WHEN PERU NEEDS THE UNITY, EFFORT AND SACRIFICE OF ALL ITS CHILDREN".

5. COMMENT: IN URGING ITS MEMBERS TO AVOID AGITATORS OR HATEMONGERS, THE CTP USES LANGUAGE SIMILAR TO THAT EMPLOYED BY COMMUNIST CGTP TRADE UNION, THE DIFFERENCE BEING THAT FOR THE COMMUNIST UNION, IT IS THE CTP AND APRA PAPY WHO ARE THE "COUNTER-REVOLUTIONARY" AGITATORS.

6. THE CTP DECLARATION MEANS THAT ALL LABOR CONFEDERATIONS ARE NOW ON-BOARD THE GOP ECONOMIC POLICY WAGON. THEIR RANK AND FILE ARE VERBALLY ADMONISHED TO AVOID FALLING PREY TO AGITATORS. IN PRACTICE, THE CGTP AND TO SOME EXTENT OTHER CONFEDERATIONS WILL BE UNDER CONSIDERABLE PRESSURE FROM CONSTITUENT UNIONS AS MULTIPLIER EFFECTS OF RECENT PRICE INCREASES RIPPLE THROUGH THE ECONOMY. ALSO, FAST-GROWING AND MILITANT FAR LEFT UNIONS (MINERS, TEACHERS AND SOME INDUSTRIAL WORKERS) HAVE NOT APPROVED GOP ECONOMIC POLICY AND CAN BE EXPECTED TO ENERGETICALLY DEFEND WORKER INTERESTS.

7. PRIME MINISTER MORALES BERMUDEZ HAS IN PART ALREADY ANSWERED THE CTP CALL FOR A NATIONAL LABOR COUNCIL THROUGH THE FORMATION OF HIS CONSULTATIVE COUNCIL (REFTEL C). MORALES BERMUDEZ HELD PRIVATE MEETINGS WITH SECGENS OF CGTP, CTP, CTRP AND CNT UNIONS EVENING OF JULY 4 AND ASKED THEM TO RETURN THIS WEEK FOR ANOTHER SESSION. HE TOLD UNION LEADERS THAT HE ALSO INTENDED TO MEET SOON WITH SELECTED INDUSTRIALISTS IN ORDER LIMITED OFFICIAL USE

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TO GET BETTER FLAVOR OF LABOR-MANAGEMENT PROBLEMS.

8. CTP ACTION IN APPROVING GOP ECONOMIC PACKAGE IS ANOTHER INDICATION THAT APRA CONTINUES TO HOLD OPEN THE POSSIBILITY OF COOPERATING WITH THE MILITARY GOVERNMENT AT SOME FUTURE TIME ON TERMS ACCEPTABLE TO BOTH SIDES.
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